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Details:

(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2007-08

(session year)

### Senate

(Assembly, Senate or Joint)

### Committee on ... Campaign Finance Reform, Rural Issues, and Information Technology (SC-CFRRIT)

### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Gigi Godwin (LRB) (September/2011)

## Senate

### Record of Committee Proceedings

#### **Committee on Campaign Finance Reform, Rural Issues and Information Technology**

##### **Senate Bill 380**

Relating to: the sale of renewable motor vehicle fuels, granting rule-making authority, and providing a penalty.

By Senators Kreitlow, Olsen, Jauch, Schultz, Harsdorf and Vinehout; cosponsored by Representatives Suder, Jorgensen, Albers, Hraychuck, Musser, Sheridan, Smith, Hilgenberg, Gronemus, Zepnick, Garthwaite, Davis and Sinicki.

January 10, 2008      Referred to Committee on Campaign Finance Reform, Rural Issues and Information Technology.

January 16, 2008      **PUBLIC HEARING HELD**

Present:    (5)      Senators Kreitlow, Erpenbach, Lassa, Kanavas and Kapanke.

Absent:    (0)      None.

##### Appearances For

- Pat Kreitlow — Senator, WI State Senate, 23rd District
- Scott Suder — Representative, 69th Assembly District
- Randy Romanski — Deputy Secretary, DATCP
- Steve Brietlow, Madison — Wisconsin Pipe Trades
- Ron Lamberty, Sioux Falls — American Coalition for Ethanol
- Bob Welch — WI Bio Industry Alliance
- Bob Sather, Chippewa Falls — ACE Ethanol
- Bob Oleson, Palmyra — Wisconsin Corn Growers Assn
- Donna Wininsky, Brookfield — American Lung Assn of Wisconsin

##### Appearances Against

- Matt Hauser, Madison — WI Petroleum Marketers and Convenience Store Assn
- John Salden, Chippewa Falls
- Dan Staebell, Onalaska — Hartland Fuel Products
- Erin Roth, Madison — American Petroleum Institute

##### Appearances for Information Only

- Brett Hulsey, Madison

Registrations For

- David Jenkins, Madison — Office of Energy Independence
- Jeff Lyon, Madison — Wisconsin Farm Bureau
- Bryan Brooks, Madison — WI Bio Industry Alliance

Registrations Against

- Scott Manley — WMC
- Pat Osborne, Madison — Marathon Oil Company

Registrations for Information Only

- Jennifer Giegerich, Madison — WI League of Conservation Voters

January 29, 2008

**EXECUTIVE SESSION HELD**

Present: (5) Senators Kreitlow, Erpenbach, Lassa, Kanavas and Kapanke.  
Absent: (0) None.

Moved by Senator Kreitlow, seconded by Senator Erpenbach that **Senate Amendment 1** be recommended for introduction.

Ayes: (5) Senators Kreitlow, Erpenbach, Lassa, Kanavas and Kapanke.  
Noes: (0) None.

INTRODUCTION OF SENATE AMENDMENT 1  
RECOMMENDED, Ayes 5, Noes 0

Moved by Senator Kreitlow, seconded by Senator Kapanke that **Senate Amendment 1** be recommended for adoption.

Ayes: (5) Senators Kreitlow, Erpenbach, Lassa, Kanavas and Kapanke.  
Noes: (0) None.

ADOPTION OF SENATE AMENDMENT 1 RECOMMENDED,  
Ayes 5, Noes 0

Moved by Senator Kreitlow, seconded by Senator Erpenbach that **Senate Amendment 2** be recommended for introduction.

Ayes: (5) Senators Kreitlow, Erpenbach, Lassa, Kanavas and Kapanke.  
Noes: (0) None.

INTRODUCTION OF SENATE AMENDMENT 2  
RECOMMENDED, Ayes 5, Noes 0

Moved by Senator Kreitlow, seconded by Senator Erpenbach that  
**Senate Amendment 2** be recommended for adoption.

Ayes: (4) Senators Kreitlow, Erpenbach, Lassa and  
Kapanke.

Noes: (1) Senator Kanavas.

ADOPTION OF SENATE AMENDMENT 2 RECOMMENDED,  
Ayes 4, Noes 1

Moved by Senator Kreitlow, seconded by Senator Erpenbach that  
**Senate Bill 380** be recommended for passage as amended.

Ayes: (4) Senators Kreitlow, Erpenbach, Lassa and  
Kapanke.

Noes: (1) Senator Kanavas.

PASSAGE AS AMENDED RECOMMENDED, Ayes 4, Noes 1

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Kathy Daggs  
Committee Clerk

# Vote Record

## Committee on Campaign Finance Reform, Rural Issues and Information Technology

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Date: 01/29/08

Moved by: Kreitlow

Seconded by: \_\_\_\_\_

AB \_\_\_\_\_

SB \_\_\_\_\_

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt 1 (A1075)

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

Committee Member

**Senator Pat Kreitlow, Chair**

Aye    No    Absent    Not Voting

**Senator Jon Erpenbach**

**Senator Julie Lassa**

**Senator Ted Kanavas**

**Senator Dan Kapanke**

**Totals:**    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Motion Carried

Motion Failed

# Vote Record

## Committee on Campaign Finance Reform, Rural Issues and Information Technology

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Date: 01/28/08

Moved by: Kreitlow

Seconded by: Kapanke

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt 1 (a1075)

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- ~~Passage~~   
  ~~Adoption~~   
  Confirmation   
  Concurrence   
  Indefinite Postponement  
 Introduction   
 ~~Rejection~~   
 Tabling   
 Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Pat Kreitlow, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Jon Erpenbach</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Julie Lassa</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Dan Kapanke</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>5</u>	<u>0</u>	_____	_____

Motion Carried

Motion Failed

# Vote Record

## Committee on Campaign Finance Reform, Rural Issues and Information Technology

---

Date: 01/29/08

Moved by: Kreitlow

Seconded by: \_\_\_\_\_

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt 2 A1131

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage       Adoption       Confirmation       Concurrence       Indefinite Postponement
- Introduction       Rejection       Tabling       Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
<b>Senator Pat Kreitlow, Chair</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Jon Erpenbach</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Julie Lassa</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Dan Kapanke</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	_____	_____	_____	_____

no objection

# Vote Record

## Committee on Campaign Finance Reform, Rural Issues and Information Technology

Date: 01/29/08

Moved by: Kreitlow

Seconded by: Erpenbach

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt 2 (A1131)

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrency

Committee Member

**Senator Pat Kreitlow, Chair**

**Senator Jon Erpenbach**

**Senator Julie Lassa**

**Senator Ted Kanavas**

**Senator Dan Kapanke**

Aye    No    Absent    Not Voting

Totals:    4    1    \_\_\_\_\_    \_\_\_\_\_

Motion Carried

Motion Failed

# Vote Record

## Committee on Campaign Finance Reform, Rural Issues and Information Technology

Date: 01/29/08

Moved by: Kreitlow

Seconded by: Erpenbach

*Adoption as amended as*  
380

AB \_\_\_\_\_ SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrency

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Pat Kreitlow, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Jon Erpenbach</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Julie Lassa</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Dan Kapanke</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>4</u>	<u>1</u>	_____	_____

Motion Carried                       Motion Failed

## 2007 SENATE BILL 380

January 10, 2008 – Introduced by Senators KREITLOW, OLSEN, JAUCH, SCHULTZ, HARSDORF and VINEHOUT, cosponsored by Representatives SUDER, JORGENSEN, ALBERS, HRAYCHUCK, MUSSER, SHERIDAN, SMITH, HILGENBERG, GRONEMUS, ZEPNICK, GARTHWAITE, DAVIS and SINICKI. Referred to Committee on Campaign Finance Reform, Rural Issues and Information Technology.

1     **AN ACT** *to create* 100.60 of the statutes; **relating to:** the sale of renewable motor  
2           vehicle fuels, granting rule-making authority, and providing a penalty.

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### *Analysis by the Legislative Reference Bureau*

This bill relates to renewable motor vehicle fuels. Under the bill, renewable fuels consist of ethanol, biodiesel, and hydrogen produced using wind power. In addition, the bill authorizes the Department of Agriculture, Trade and Consumer Protection (DATCP) to promulgate rules designating additional fuels, other than petroleum-based fuels, as renewable fuels.

This bill generally subjects a refiner to a penalty if the percentage of renewable fuel sold by the refiner, beginning in 2009, is less than a percentage set in the bill. The percentage of renewable fuel sold is determined by dividing the total volume of wholesale sales of renewable fuel in a year by the refiner's five year rolling average volume of wholesale sales of all motor vehicle fuel, other than diesel fuel, and multiplying by 100. The percentage begins at 10 percent and increases to 25 percent in 2025 and thereafter. The bill authorizes DATCP to implement a system of credit trading for refiners, under which a refiner who sells more than the required percentage of renewable fuels in a year could sell credits to refiners who fail to meet the renewable fuel requirements, enabling the purchasing refiners to avoid a penalty. The bill authorizes DATCP to temporarily suspend the requirements imposed on wholesalers if a sufficient supply of renewable fuel is not available.

This bill also provides that if the total amount of biodiesel fuel sold at retail in this state in 2007 is less than 40,000,000 gallons, a person who sells diesel fuel at retail is generally subject to a penalty if the volume of biodiesel fuel sold by the person

**SENATE BILL 380**

in a year, beginning in 2009, is less than five percent of the total volume of diesel fuel sold by the person at retail in that year. The bill authorizes DATCP to temporarily suspend the requirements imposed on retailers if a sufficient supply of biodiesel is not available.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1 SECTION 1. 100.60 of the statutes is created to read:

2 **100.60 Renewable fuel standards. (1) DEFINITIONS.** In this section:

3 (a) "Biodiesel fuel" means any of the following:

4 1. A fuel that is comprised of monoalkyl esters of long chain fatty acids derived  
5 from vegetable oils or animal fats and that meets all of the applicable requirements  
6 of the American Society for Testing and Materials.

7 2. Any fuel not described in subd. 1. that can substitute for petroleum-based  
8 diesel fuel and that the department designates as biodiesel fuel under sub. (5) (am).

9 (b) "Diesel fuel" includes biodiesel fuel and petroleum-based diesel fuel.

10 (c) "Motor vehicle fuel" means gasoline, diesel fuel, ethanol, or any other  
11 substance used to fuel vehicles that are primarily used for transportation on public  
12 roadways.

13 (d) "Percentage of renewable fuel sold" means the percentage that results from  
14 dividing the total volume of wholesale sales of renewable fuel sold in this state in a  
15 year by the average total volume of wholesale sales of motor vehicle fuel, other than  
16 diesel fuel, in this state in that year and the previous 4 years and multiplying by 100.

17 (e) "Refiner" means a person who makes wholesale sales of at least 40,000,000  
18 gallons of motor vehicle fuel in a year at terminals located in this state.

19 (f) "Renewable fuel" means any of the following:

oil  
franch.  
fee

wholesale  
supply

**SENATE BILL 380**

- 1           1. Ethanol.
- 2           2. Biodiesel fuel.
- 3           3. Hydrogen produced using wind power.
- 4           4. Any other fuel that the department designates as a renewable fuel in rules
- 5 promulgated under sub. (5) (b).

6           (g) "Terminal" means a facility for storing and distributing motor vehicle fuel  
 7 that is supplied by a pipeline or marine vessel and from which motor vehicle fuel may  
 8 be removed at a rack and loaded onto trucks for further distribution.

9           (h) "Wholesale sale" means the transfer of motor vehicle fuel to a jobber,  
 10 wholesaler, retailer, or other person at a terminal in this state.

11           **(2) STANDARD FOR RENEWABLE FUEL.** Except as provided under sub. (5) (c) or (d),  
 12 a refiner is subject to the penalties in sub. (6) (a) if the percentage of renewable fuel  
 13 sold by the refiner in this state in a year is less than the following:

- 14           (a) In 2009 to 2014, 10 percent.
- 15           (b) In 2015 to 2019, 15 percent.
- 16           (c) In 2020 to 2024, 20 percent.
- 17           (d) In 2025 and thereafter, 25 percent.

18           **(4) BIODIESEL.** (a) No later than June 30, 2008, the department shall determine  
 19 the total volume of biodiesel fuel sold at retail in this state in 2007.

20           (b) If the volume determined under par. (a) is less than 40,000,000 gallons, the  
 21 department shall notify the legislative reference bureau and the legislative reference  
 22 bureau shall publish in the next issue of the Wisconsin Administrative Register a  
 23 notice that the requirement in par. (c) applies beginning in 2009.

24           (c) If the legislative reference bureau publishes the notice under par. (b), except  
 25 as provided under sub. (5) (c), beginning in 2009, a person who sells diesel fuel at

*Cost  
 High  
 # more  
 even w/ #  
 credit*

*Price  
 language  
 as well  
 as supply*

**SENATE BILL 380****SECTION 1**

1 retail in this state is subject to the penalties in sub. (6) (b) if the volume of biodiesel  
2 fuel sold by the person in this state in a year is less than 5 percent of the total volume  
3 of diesel fuel sold by the person at retail in this state in that year.

4 (5) RULES. (a) The department shall promulgate rules for the administration  
5 of this section, including rules for any reporting necessary to determine compliance  
6 with subs. (2) and (4) (c).

7 (am) The department may promulgate rules designating a fuel that is derived  
8 from a renewable source and that can substitute for petroleum-based diesel fuel as  
9 biodiesel fuel. In rules under this paragraph, the department shall include  
10 standards to ensure the reliable operation of motor vehicles using the fuel.

11 (b) The department may promulgate rules designating a motor vehicle fuel,  
12 other than a petroleum-based fuel and other than hydrogen that is produced using  
13 a petroleum-based fuel, as a renewable fuel.

14 (c) If the department determines that a sufficient supply of renewable fuel is  
15 not available to refiners, the department may temporarily suspend the requirements  
16 under sub. (2) by promulgating a rule using the procedure under s. 227.24. If the  
17 department determines that a sufficient supply <sup>@ a competitive price?</sup> of biodiesel fuel is not available to  
18 persons selling diesel fuel, the department may temporarily suspend the  
19 requirement under sub. (4) (c) by promulgating a rule using the procedure under s.  
20 227.24. Notwithstanding s. 227.24 (1) (a), (2) (b), and (3), the department is not  
21 required to provide evidence that promulgating a rule under this paragraph as an  
22 emergency rule is necessary for the preservation of the public peace, health, safety,  
23 or welfare and is not required to provide a finding of emergency for a rule  
24 promulgated under this paragraph.

**SENATE BILL 380**

*Mirror  
Feels*  
→  
(d)

1 (d) The department may promulgate rules to implement and administer a  
2 system of credit trading for refiners. In any rule promulgated under this paragraph,  
3 the department shall allow a refiner who sells more renewable fuel than is required  
4 under sub. (2) to sell credits to other refiners who fail to meet the renewable fuel  
5 requirements under sub. (2) to enable the other refiners to avoid being subject to the  
6 penalties under sub. (6) (a).

7 **(6) PENALTIES.** (a) 1. A refiner who violates sub. (2) may be required to forfeit  
8 not more than \$10,000 for a first offense.

9 2. A refiner who violates sub. (2) may be required to forfeit not less than \$500  
10 nor more than \$50,000 for a 2nd offense.

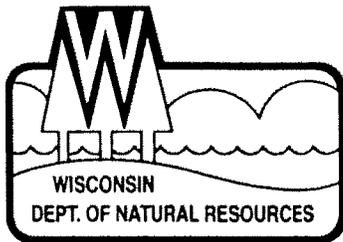
11 3. A refiner who violates sub. (2) may be required to forfeit not less than \$1,000  
12 nor more than \$100,000 for a 3rd or subsequent offense.

13 (b) 1. A person who violates sub. (4) (c) may be required to forfeit not more than  
14 \$10,000 for a first offense.

15 2. A person who violates sub. (4) (c) may be required to forfeit not less than \$500  
16 nor more than \$50,000 for a 2nd offense.

17 3. A person who violates sub. (4) (c) may be required to forfeit not less than  
18 \$1,000 nor more than \$100,000 for a 3rd or subsequent offense.

19 **(END)**



## State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor  
Matthew J. Frank, Secretary

101 S. Webster St.  
Box 7921  
Madison, Wisconsin 53707-7921  
Telephone 608-266-2621  
FAX 608-267-3579  
TTY Access via relay - 711

January 14, 2008

Senator Pat Kreitlow  
Room 10 South - State Capitol  
Madison, WI 53703

Representative Scott Suder  
Room 21 North - State Capitol  
Madison, WI 53703

Subject: Senate Bill 380

Dear Senator Kreitlow and Representative Suder:

I am writing to express my support of SB 380 and its companion bill in the Assembly. Department staff has reviewed the bill and find it to be a progressive and important step toward meeting the Governor's 25% by 2025 renewable energy goal. This goal was established through Governor Doyle's July 7, 2006 Declaration of Energy Independence and was one of 3 far-sighted initiatives launched that day to make Wisconsin the nation's leader in renewable energy.

In addition to the beneficial impacts to Wisconsin's energy situation, the Governor's goals for renewable energy in the state will have beneficial impacts for public health and climate change. Conventional diesel fuel is a source of significant air pollution in the state and nation. The increased use of biodiesel and other biofuels required by SB 380, however, will reduce green house gas, VOC, and particulate matter emissions and will lead to cleaner air in the state. Specifically, SB 380's requirements for the use of biodiesel and other biofuels in Wisconsin, will result in reduced emissions of:

- Carbon monoxide and carbon dioxide;
- Aromatic hydrocarbons, benzofluoranthene; benzopyrenes (hazardous air pollutants that contribute to ozone and particulate matter formation); and
- Direct (tailpipe) emissions of particulate matter.

Why are these benefits important? As you may be aware, significant progress has been made in improving ozone air quality in the state:

- Ozone levels in Wisconsin in 2003 - 06 had improved so much that, in June 2007, the Department submitted a request to the U.S. Environmental Protection Agency (EPA) to redesignate 8 of 10 ozone nonattainment counties to attainment status.
- Recent modeling for the state indicates no ozone non-attainment areas for the state by 2009.
- The adoption of two critical new DNR air quality rules last year - the Clean Air Interstate rule and the NOx RACT rule - will further significantly reduce NOx levels in the State, a critical factor in reducing ozone formation.

However, almost all of this recent progress has been borne by utilities and industry. Your bill, if adopted, will result in critical reductions to particulate matter and ozone "precursor" emissions in Wisconsin from the mobile source sector. Further, SB 380 positions the state well to meet additional federal Clean Air Act standards proposed for ozone and particulate matter.

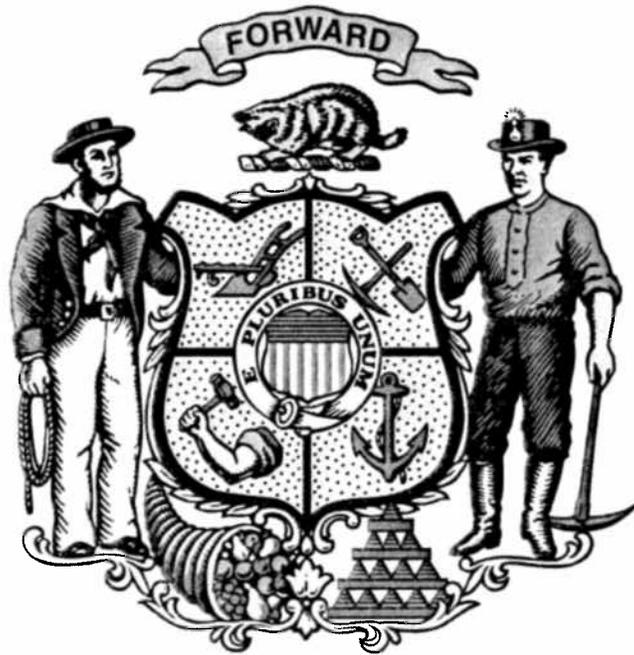
I applaud your leadership in introducing SB 380 and the companion Assembly bill and look forward to its rapid passage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Frank', written over a horizontal line.

Matt Frank, Secretary  
Department of Natural Resources

Cc: Senator Russ Decker  
Representative Michael Huebsch





**Wisconsin  
Manufacturers  
& Commerce**

Wisconsin Manufacturers'  
Association • 1911

Wisconsin Council  
of Safety • 1923

Wisconsin State Chamber  
of Commerce • 1929

**James S. Haney**  
President

**James A. Buchen**  
Vice President  
Government Relations

**James R. Morgan**  
Vice President  
Marketing & Membership

**Michael R. Shoys**  
Vice President  
Administration

**TO:** Senate Committee on Campaign Finance Reform, Rural  
Issues & Information Technology

**FROM:** Scott Manley, Environmental Policy Director

**DATE:** January 16, 2008

**RE:** Senate Bill 380 - Renewable Fuel Mandate

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Wisconsin Manufacturers & Commerce (WMC) has significant concerns regarding the impact of Senate Bill 380 on Wisconsin businesses, motorists and the environment, and respectfully requests that members of the Senate Committee on Campaign Finance Reform, Rural Issues & Information Technology oppose this legislation.

WMC is the state's largest business trade association, with over 4,000 members in the manufacturing, service, health care, retail, energy and insurance sectors of our economy. WMC is dedicated to making Wisconsin the most competitive state to do business in the nation, and toward that goal, we support consistent, cost-effective and market-driven policies.

WMC supports the development of renewable fuels, and the creation of a statewide business climate where all industries, including the ethanol industry, will flourish. WMC also believes that commodity markets, including the motor fuel market, will deliver the lowest price to consumers when the market forces of supply and demand are allowed to operate with minimal government interference.

Unfortunately, we believe Senate Bill 380 will lead to significant distortions in the motor fuel market resulting in much higher gas prices for Wisconsin motorists, as well as the businesses who rely upon our highway system for their supply and distribution chains. We further believe the bill will ultimately make Wisconsin a less competitive state to do business by creating problems for Wisconsin-based engine and outdoor equipment manufacturers, and by adding to our state's environmental regulatory burden.

**I. SB 380 WILL SIGNIFICANTLY INCREASE WISCONSIN GAS PRICES**  
Senate Bill 380 mandates that the percentage of motor fuel sold in Wisconsin be at least 10% renewable beginning in 2009, increasing to 25% renewable by 2025. There are a number of reasons why the approach taken in this bill will lead to substantially higher gas prices.

In essence, SB 380 is a thinly disguised corn ethanol mandate. For example, the only practical way to meet the bill's 10% renewable fuels

target by 2009 is to put 10% ethanol in virtually every gallon of gas sold in the state. As such, the bill is fraught with all of the market distortion concerns associated with an outright E-10 fuel mandate. These distortions to the market and the related price increases for Wisconsin motorists only get worse as the mandate increases to 25%.

Under the federal RFS requirements, there is at least some flexibility in meeting national goals to negotiate competitive ethanol purchase prices. For example, under the federal scheme, it might be cheaper to provide higher percentages of ethanol in other states due to transportation or other factors. In addition, refiners can now increase or reduce the amount of ethanol depending on the price of ethanol, which interjects market forces to restrain ethanol price increases. SB 380 precludes that option because the only viable means to meet the 10% mandate is to put ethanol in all conventional gasoline. This, in turn, gives ethanol producers market power in Wisconsin to extract higher purchase prices for ethanol, that will invariably lead to higher gasoline prices for Wisconsin motorists. In effect, SB 380 is a hidden gas tax for Wisconsin motorists by robbing refiners of the flexibility to determine where and how much ethanol is used based price, and instead mandates its use at a set percentage of fuel sales in Wisconsin.

As the mandated percentages increase, the distortions in the market only get worse. Although SB 380's 10% mandate creates market distortions and higher prices, refiners can meet that mandate by using corn ethanol in conventional gasoline. But refiners have little ability to affect the market decisions made by consumers relative to E-85 consumption. This creates a compliance problem when the law dictates 15%, 20% and 25% renewable fuel mandates. For example, at a 15% RFS, the following levels of E85 sales would be required to comply with SB 380.

If the % RFS attributable to E10 sales is ..	Then gallons of E85 sales must be at least ..	% Increase needed over 2006 E85 sales
4	317,447,059	13,802
5	288,588,235	12,547
6	259,729,412	11,293
7	230,870,588	10,038
8	202,011,765	8,783
9	173,152,941	7,528
10	144,294,118	6,274
<b>Total Ethanol Needed</b>	<b>367,950,000</b>	

As the table above notes, the percentage increases in E-85 needed to meet the SB 380 mandate even at 15% RFS is not feasible, and certainly not within the ability of refiners to control, as consumers have generally opted against purchasing E85. Approximately 2% of vehicles titled in

Wisconsin as of January 1, 2007 were capable of burning E85, and of those vehicles, consumers averaged less than 2 gallons of E-85 consumption per month. Refiners only option to cover the shortfall resulting from a lack of E-85 sales under a 15% RFS would involve purchasing renewable fuel credits. The availability of those credits is speculative at this time, but if available, the price could be very expensive. Any premium charged for those credits will be passed on to consumers in the form of higher gas prices.

It is noteworthy that ethanol producers, who meet the bill's definition of "refiners," in addition to having pricing power associated with a state mandate, will be granted a credit windfall under the bill. This results in ethanol producers winning a double-billing lottery for the same gallon of ethanol. For example, gasoline refiners must purchase ethanol at elevated prices to meet a state mandate. In turn, for each gallon sold, the ethanol producer generates a credit for that percentage above the mandated RFS (e.g., a 15% RFS results in an 85% credit for each gallon of pure ethanol sold). Since gasoline refiners will have no choice but to purchase these limited credits to meet the RFS, the ethanol producers can extract more money for the same gallon of ethanol already sold. This amounts to another gas tax driving up fuel costs for Wisconsin motorists.

The bill also provides disincentives for investments in Wisconsin's fuels infrastructure that will also have a long-term adverse impact on prices. SB 380 specifically targets those refiners who conduct business in this state through Wisconsin-based terminals. It therefore discourages investment in Wisconsin fuel supply infrastructure and Wisconsin terminal operations. It encourages the inefficient sale of fuel trucked in from terminals outside the state. The bill essentially punishes those companies who have already invested in transport and storage systems to meet Wisconsin's consumer demand. The result is very likely less investment in a Wisconsin infrastructure that could produce more efficient delivery of gasoline to Wisconsin. Inefficiency in delivery system translates into higher fuel prices in Wisconsin.

If it is more economical for refiners to shift fuel supply to other markets, Wisconsin, which is already at the end of the pipeline, could face supply disruptions - which in turn leads to higher gas prices for the consuming public under basic supply and demand economics.

## **II. SB 380 WILL LEAD TO UNINTENDED ADVERSE IMPACTS ON WISCONSIN ENGINE AND OUTDOOR EQUIPMENT MANUFACTURERS.**

Manufacturing is a critical component of our economy, and accounts for more than \$44 billion in economic output each year -- nearly one-fourth of all goods and services in our state. In 2005 alone, Wisconsin manufacturers exported more than \$14 billion in goods to other countries.

Hundreds of thousands of Wisconsin families depend either directly or indirectly on a healthy manufacturing sector for their livelihood.

There are approximately 500,000 workers in Wisconsin's manufacturing sector, including many who are employed in the engine manufacturing and outdoor equipment manufacturing sectors. These jobs, which include both union and non-union workers, pay among the highest wages in our workforce, with salaries averaging over \$44,000 per year.

We therefore believe it is critically important that policymakers, however well-intended, avoid adopting laws that threaten the competitiveness of Wisconsin engine and equipment manufacturers. However, our members have expressed serious concerns regarding the impact of ethanol blends above 10% on the functionality of their products.

Specifically, engine manufacturers are concerned that the higher combustion temperatures associated with ethanol blends above 10% result in increased wear on cylinder walls, diminished ability to maintain engine lubrication, and degradation of seals resulting in fuel line problems.

We are also told that the oxygenating properties associated with higher ethanol blends result in leaner combustion, causing carburetion problems leading to decreased engine performance and improper function. In some cases, retrofit kits would likely be required to allow engines to run properly at higher ethanol blends.

Because of these engine wear and performance concerns, manufacturers warn their customers against using fuel with an ethanol content above 10% in their owners manuals. WMC believes that mandating ethanol blends beyond this level will create warranty and product reliability problems for Wisconsin-based manufacturers. As noted above, these manufacturers are a critical sector of our state's economy, and we cannot afford to adopt regulations that diminish their ability to compete in the national and international marketplaces.

Furthermore, because Wisconsin engine and outdoor equipment manufacturers cannot afford to make boutique products for dozens of states with conflicting renewable fuel policies, a national solution represents a much better approach to this issue. Following a uniform and consistent federal policy would ensure that Wisconsin manufacturers are not disadvantaged by having to comply with two separate layers of state and federal fuel policy.

**III. SB 380 WILL ADD TO WISCONSIN'S ENVIRONMENTAL REGULATORY BURDEN BY INCREASING EMISSIONS OF OZONE-FORMING POLLUTANTS**

Studies conducted by the US EPA indicate that ethanol-blended fuel increases levels of two air pollutants responsible for ozone formation. Evaporative emissions associated with ethanol result in higher volatile organic compound (VOC) emissions, and combustion of ethanol blends leads to increased levels of nitrogen oxide (NOx) emissions. Because of air quality concerns, the federal Clean Air Act prohibits blending more than ethanol 10% ethanol for conventional motor fuel.

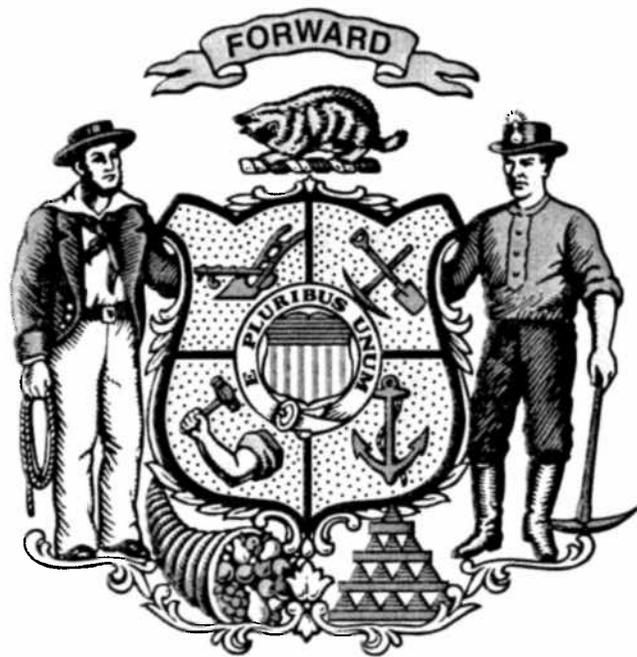
The Wisconsin DNR issued a report in 2005 describing the adverse impact an ethanol mandate would have on Wisconsin air quality. In its report, the DNR equated an E10 mandate with the amount of NOx pollution resulting from a 350 Megawatt coal-fired power plant. The DNR further pledged to require Wisconsin businesses to pay the regulatory costs associated with the additional ethanol pollution from motor vehicles.

Promises to turn a blind eye toward this additional pollution are generally not helpful manufacturers, because promises cannot stop the additional pollution from impacting the ozone monitors throughout our state - and the ozone monitors are what drive our manufacturers' regulatory burden. WMC is particularly concerned by mandating additional ozone pollution at a time when the EPA recently proposed to significantly tighten the ozone standard, placing many more Wisconsin counties and employers at risk of paying the ozone penalty.

**IV. CONCLUSION**

In conclusion, WMC believes the considerable cost of Senate Bill 380 to motorists and Wisconsin businesses far outweigh any benefits associated with this legislation. Rather than adopting unrealistic and unattainable state-only renewable fuel mandates, WMC urges lawmakers to consider policies that align with federal energy law. Wisconsin is home to thousands of high-paying jobs in the engine and outdoor equipment manufacturing sectors, and there are many more jobs at companies who supply and support these industries. We cannot afford to jeopardize any of these jobs by adopting policies that make it more difficult for these companies to compete. Nor can we afford to add to our state's considerable environmental regulatory costs by mandating additional ozone pollution. For these reasons, WMC urges Committee Members to oppose passage of Senate Bill 380.

Thank you for your thoughtful consideration of industry's position with respect to this legislation. Please feel free to contact me if you have any questions, or if I can provide you with additional information, at (608) 258-3400 or smanley@wmc.org.



# WISCONSIN PIPE TRADES ASSOCIATION

1175 West Parkland Avenue • Milwaukee, WI 53224-3135 • OFC (414) 359-1310 • FAX (414) 359-1323

## Testimony in support of SB 380

Senate Committee on Campaign Finance Reform, Rural Issues and  
Information Technology  
Room 400-SE 1:00 pm  
January 16, 2008

**Steve Breitlow, Secretary/Treasurer  
Wisconsin Pipe Trades Association**

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Good morning Chairman Kreitlow and members. Thank you for the opportunity to testify in support of SB 380 on behalf of the nearly 9,000 working men and women of the Wisconsin Pipe Trades Association (WPTA). I also want to recognize Sen. Kreitlow and Rep. Suder for introducing this good public policy.

My name is Steve Breitlow and I have been in the trades for more than 27 years. I currently serve as Secretary/Treasurer of the Wisconsin Pipe Trades Association and business manager of Plumbers Local 75.

As a country and as a state, we need to reduce our dependence on foreign oil. In addition to offsetting our dependence, this bill has the potential to create jobs and build the economy of Wisconsin.

***For our members in the plumbing, steamfitting and sprinkler fitting industries this legislation creates an important opportunity for jobs.*** In addition to those who work in the pipe trades, Wisconsin's farmers, construction workers, plant employees and other bio-fuel product industry will thrive from the production and use of renewable fuels. Our neighbors in Minnesota and Iowa have benefited greatly with the construction of ethanol plants. We would like to see workers in our state reap the same benefits.

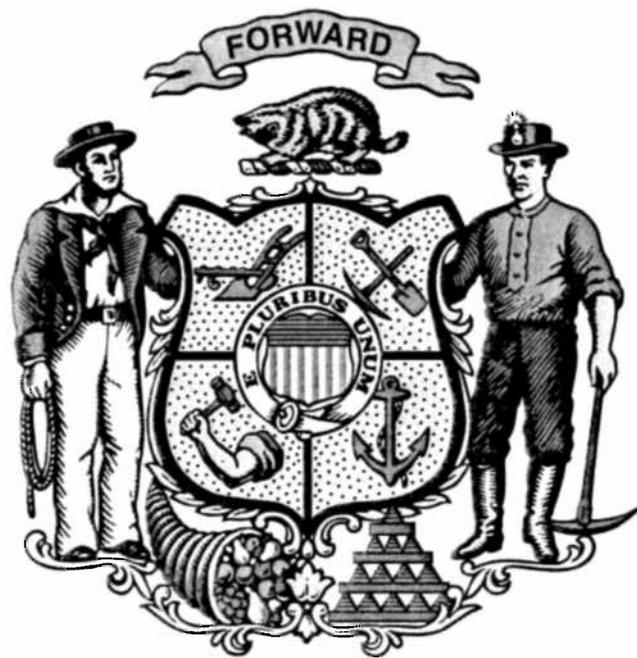
According to the Wisconsin Bio Industry Alliance, ethanol production created over 160,000 jobs and added \$41.9 billion of gross output to the U.S. Economy. In Wisconsin, an average ethanol plant creates 40 full-time, high-paying jobs. Construction of a new ethanol plant would employ nearly 100 skilled pipe trades people alone, and provide a one-time boost of \$112 million to the local economy.

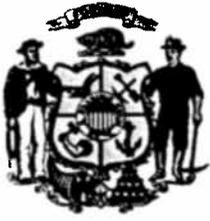
This is just part of the economic value that ethanol and the bio-fuels manufacturing industry will provide to the state of Wisconsin, a value that will be a cornerstone for future economic growth and prosperity for the citizens of Wisconsin.

***SB 380 encourages energy independence.*** Relief from gas prices is nowhere in sight, and oil prices are reaching \$100 a barrel. Most of our oil comes from the Middle East, with the U.S. importing over 10 million barrels of crude oil a day. In 2006 the U.S. produced 4.9 billion gallons of ethanol, which displaced 206 million barrels of oil. Wisconsin has the ability and workforce to add to this number; there is no time like the present to enact this legislation.

SB 380 has the opportunity to create jobs; boost Wisconsin's economy; reduce our dependence on foreign oil; help the environment; and ultimately leave Wisconsin in a better position than it is today.

On behalf of all of our members statewide, I encourage your support of SB 380. Thank you and I would be happy to address any questions at this time.





State of Wisconsin  
Jim Doyle, Governor

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Office of Energy Independence  
Judy Ziewacz, Director

Statement on AB 682/SB380  
By Judy Ziewacz, Executive Director  
Office of Energy Independence

Before the  
Senate Committee on Campaign Finance Reform,  
Rural Issues and Information Technology

January 16, 2008

Chair Kreitlow and Members:

Governor Doyle's Executive Order #192 tasks the Office of Energy Independence with moving Wisconsin toward obtaining 25% of our transportation fuels and 25% of our power from renewable sources by 2025. This 25 x 25 goal was reaffirmed in the recent state budget law.

We want to commend you Chair Kreitlow and Representative Suder, as well as the bi-partisan group of co-sponsors from each house, for collaborating on this legislation. We believe the concept of this bill is a good one, it is right for the state.

Approximately 5% of the 2.384 billion gallons of motor fuel currently sold in Wisconsin is from renewable sources. If this law were in effect today, we would be selling 596 million gallons of ethanol instead of the current 130 million gallons.

Our *Wisconsin Energy Statistics* report, which tracks energy use and prices, indicates that in 2006 Wisconsin citizens sent almost \$10.5 billion out of state to purchase petroleum. If this law had been in effect, we would have retained \$2.62 billion for Wisconsin economy.

Spending will certainly surpass that value in 2007. Just the **change** in the cost of petroleum during 2006 was \$1.1 billion dollars when a barrel of oil increased, an average, from \$60 to \$90. Since 66.1% of our petroleum is now imported from a foreign country, that is money in the pockets of foreign interests rather than Wisconsin producers. That percentage will continue to grow every year unless we can find a way to produce, market, and use more fuel produced here in Wisconsin.

**Promoting Our Wisconsin Energy Resources: Achieving 25 x 25**  
17 West Main St. • Madison, WI 53702 • 608-261-6609  
<http://power.wisconsin.gov>

The goal of "25 x 25" is critical because the alternative—continuing to enrich foreign interests, seeing our currency depreciate, and being held hostage to imported energy—is not sustainable or beneficial to Wisconsin's economy. A dollar spent on biofuels stays here in Wisconsin where it can circulate in our communities to invest in jobs, buildings and equipment, and become part of the local tax base.

Across Wisconsin, there is growing support for and awareness that Wisconsin businesses, industries, farmers, and landowners can and should have the opportunity to produce biofuels. As recently as Monday morning (January 14, 2008), a major Wisconsin employer, General Motors, announced a new commitment to biofuels production. Governor Doyle asked our office to pursue opportunities that will attract new biofuels production facilities to our state, such as the facility that GM's partner, Coskata, intends to place somewhere in the Midwest.

Biofuels production and markets must work hand in hand, however. This legislation complements the new federal biofuels blending requirements contained in the federal energy legislation passed by Congress last month.

Therefore, we urge the Committee to give favorable consideration to this bill.

**Testimony to the Wisconsin State Senate  
Committee on Campaign Finance Reform, Rural Issues and  
Information Technology in Support of Senate  
Bill 380**

Date?

Bob Sather – Board Chair, Ace Ethanol and President, Wisconsin Bio Industry Alliance

Good morning Committee Members:

My Name is Bob Sather and I am the president of the Wisconsin Bio Industry Alliance and Chair of Ace Ethanol Board of Directors. My Home address is 11010 161<sup>st</sup> Street, Chippewa Falls, WI 54729.

The central theme of my remarks will be about the myths regarding bio-fuels in general and ethanol in particular, but permit me to preface my comments with this statement:

We are currently importing about 2/3 of our oil consumption, and a great deal of that comes from countries such as Saudi Arabia, Nigeria and Venezuela with Iran exporting its oil to other countries. This global pool of oil is vulnerable to disruptive and unstable governments that could close the spigot to the world's addiction and dependency on oil. Additionally, oil at \$100 a barrel means that we are increasing our trade deficit each day by about one billion dollars just for oil. We are losing equity in this country a billion dollars each and every day.

The bill before this committee today will not solve our energy crisis in total but it is a step in the right direction in moving toward energy independence. Citizens of the state should be proud of this bipartisan effort.

**MYTH OR FACT:**

- Myth: Ethanol uses too much water -
- FACT: The US Environmental Protection Agency, Division of Water Quality cites - it takes about 3 gallons of water to make a gallon of ethanol. However, it takes 44 gallons of water to produce a gallon of gasoline and we refine a great deal of gasoline in this country. It takes 11.6 gallons of water in processing one chicken and one gallon of water for each quarter pound of hamburger. Also, a midsized ethanol plant (40 million gallons per annum) consumes about the same amount of water as a municipal golf course- and provides much more economic and social benefits.
- Myth: Ethanol is energy negative because it takes more BTU's to make ethanol than we get in the produced ethanol -
- FACT: Recent independent studies by Argonne National Laboratory and verified by USDA together with some 7 additional studies find that ethanol creates 60% more energy than it takes to make it. The same study shows that producing gasoline is energy negative by 20%.
- Myth: Ethanol producers receive a federal subsidy of 51 cents per gallon of tax credits –
- FACT: The blenders who are for the most part "Big Oil" that blend the fuel are the recipients of the 51 cents per gallon of tax credits. Ace Ethanol in Stanley has never received a penny of the blenders' tax credit. Speaking of subsidies, the federal tax credit received for blending ethanol pales in comparison to the hundreds of billions of dollars that "Big Oil" receives in federal tax credits for depletion and deep water drilling allowances.
- Myth: Ethanol is protected by 54 cents a gallon tariff on imported ethanol –
- FACT: Brazil and other countries that export ethanol to the United States receive the same 51 cents a gallon of blenders' tax credit from you, the tax payer, as received by USA ethanol producers'. Accordingly, the tariff is a tax credit off-set against imported

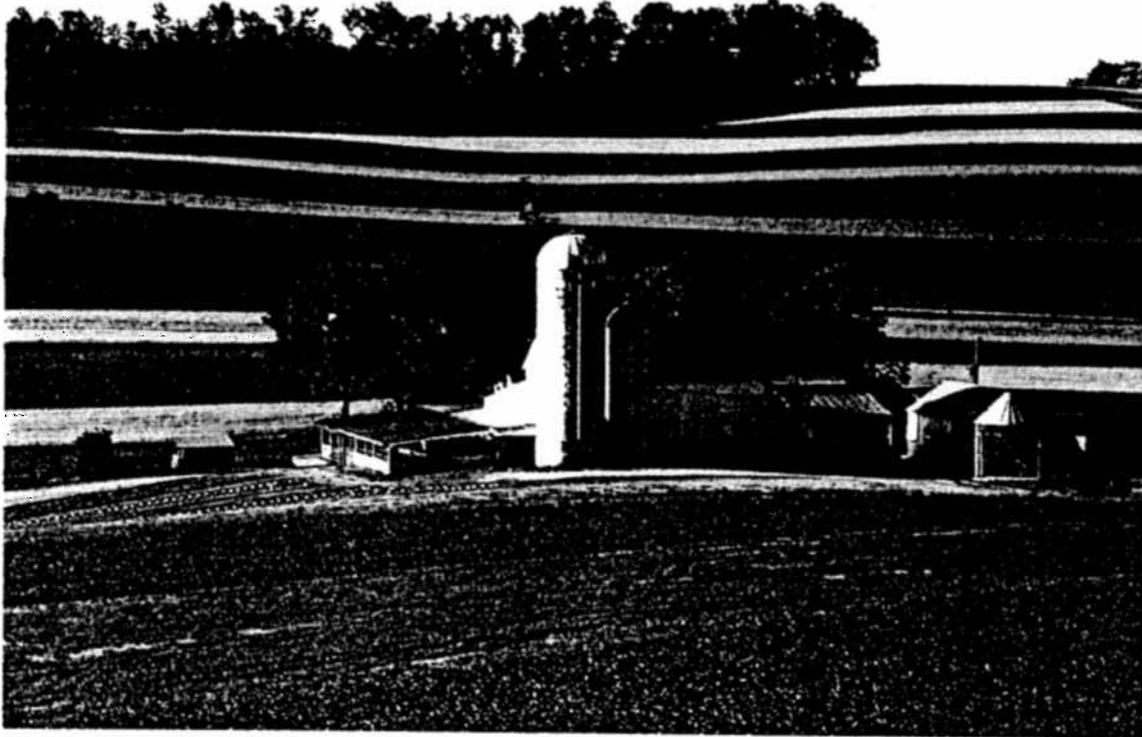
ethanol. Why should US tax payers subsidize imported Brazilian ethanol when the Brazilian Government has already heavily subsidized ethanol production?

- Myth: Ethanol Production is the primary reason for higher food costs because too much corn is used –
- FACT: A recent study by Informa, an independent economic research firm found that because of the high cost of crude oil it accounts for nearly all the recent increased cost for high food prices whereas crop products account for only about 4% of recent increased costs.
- Myth: Ethanol does little to improve the environment –
- FACT: Ethanol reduces greenhouse emissions by 29 percent compared to the equivalent gallon of gasoline. New technologies and new feed stocks could yield reductions of nearly 90 percent. Further, the US Department of Energy cites the use of 5 billion gallons of ethanol in motor cars in 2006 has reduced gas emissions the equivalent of removing more than 1.2 million cars from American roads.
- Myth: Ethanol is responsible for the current corn shortage –
- FACT: USDA estimated the 2007 corn crop to be more than 13 billion bushels. The ethanol industry used about 2.3 billion bushels or about 16 percent of the nations corn supply. The National Corn Growers Association projects that ethanol demand for corn and corn supply will continue on an even trend because of yearly increased corn yields through genetic improvements. On average, yields have increased by 3.5 bushels per acre per year since 1995. Based on historical data, the NCGA predicts corn yields have increased to about 180 bushels per acre by 2015 compared to 150 bushels per acre in 2006. Corn is a global commodity that has been surging in demand due to international droughts, a weak dollar and third world countries' such as India and China increased demand.
- Myth: Ethanol is bad for your car engine.
- Fact: Every major automaker in the world approves the use of E-10 Unleaded gasoline under warranty. Additionally, ethanol adds about 3 points of octane to gasoline helping to improve engine performance. Ethanol helps keep injectors clean and at the same time it lowers the levels of toxic exhaust emissions. And now new research shows that midlevel ethanol blends (20% to 30%) can improve fuel mileage.



# ***Ethanol: A Convenient Solution to an Inconvenient Truth***

**Moderate Ethanol Blends Can Save Money,  
Reduce Pollution and Improve Mileage**



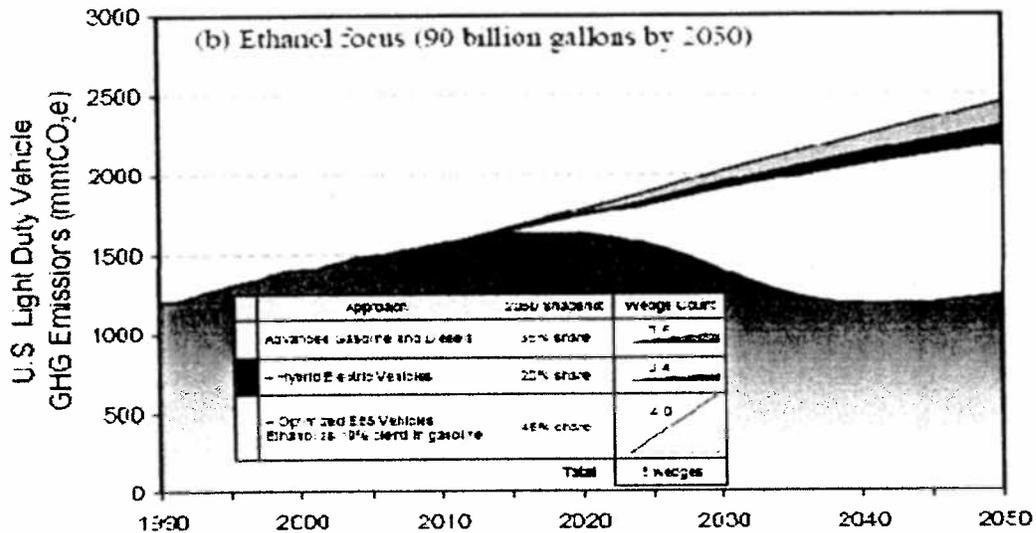
**By Brett Hulsey, Better Environmental Solutions**

**For the American Coalition for Ethanol**

## **Summary**

This analysis shows that moderate 20-30% ethanol blends can reduce air pollution, improve mileage, and save drivers money in the most popular cars on the road in America today. Ethanol is a homegrown fuel, moderate blends can be delivered with existing infrastructure and is compatible with vehicles on the road today, and costs less than gasoline. Ethanol lowers CO<sub>2</sub> emissions, making it one of our most effective greenhouse gas (GHG) reduction programs currently in place.

This study and others show that moderate ethanol blends are an easy way to improve vehicle mileage and can be a convenient solution to the 'Inconvenient Truth' of global warming. Ethanol today reduces CO2 by at least 14 million tons and could reduce 58 million tons with widespread E20 usage, compared to burning 100% gasoline. More is possible according to EPA's Scenario B analysis from *A Wedge Analysis of the U.S. Transportation Sector*, April 2007, [www.epa.gov/otaq/climate/420r07007.pdf](http://www.epa.gov/otaq/climate/420r07007.pdf) shown below.



Congress is now considering increasing auto fuel efficiency (CAFE) standards and expanding the Renewable Fuel Standard for biofuels. By increasing the availability of moderate ethanol blends, car companies can immediately increase mileage for the entire vehicle fleet without making major modifications or expensive investments. Moderate ethanol blends also immediately reduce CO2 and save drivers money in existing vehicles in the current fleet. This is needed while we wait for more efficient vehicles to improve mileage. Ethanol also reduces the most dangerous air pollutants.

Increasing ethanol blends can increase mileage to help immediately address soaring gasoline prices and a record 66% oil imports in 2006. Increasing auto efficiency by only 1% could save drivers \$4.35 billion annually and help increase our energy security.

Recommended next steps to promote this solution include:

1. Validating these results through larger studies with more vehicles;
2. EPA approval of the Minnesota request to make E20 an approved fuel; and
3. Federal policies that promote moderate ethanol blends like E20 and E30.

These simple steps can give us cleaner air, more energy security and save us money. For more information, go to [www.BetterEnviro.Com](http://www.BetterEnviro.Com) or [www.Ethanol.org](http://www.Ethanol.org) or call 608-238-6070.



Better Environmental Solutions





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## **Pollution not just a summer concern**

### **Red alert for air quality in December unprecedented**

By **LEE BERGQUIST**  
[lbergquist@journalsentinel.com](mailto:lbergquist@journalsentinel.com)

*Posted: Jan. 12, 2008*

Air pollution is often associated with ozone and warm summer days, but winter weather conditions can conspire to trap microscopic dust, soot and smoke particles that can be inhaled deeply and damage the lungs.

Wisconsin has issued numerous particle pollution warnings this winter, including an unprecedented 25-hour alert in December in metro Milwaukee when emissions were so high that state officials recommended that healthy people cut back on strenuous outdoors activity.

So far this winter, all but one of the warnings were issued because the air quality index was labeled "orange," which is considered unhealthy for people with heart and lung ailments.

People in these groups were encouraged to reschedule or cut back on strenuous outdoor activities.

But for the first time for a day in December, the state Department of Natural Resources concluded that the air quality index was red on Dec. 20 and 21 for Milwaukee, Waukesha, Racine, Kenosha, Jefferson and Dane counties.

The agency recommended that even healthy people should cut back or reschedule strenuous activities.

The alert was issued after Wisconsin opted for a stricter threshold under consideration by the U.S. Environmental Protection Agency.

In December 2007, there were 40 instances in Wisconsin - including Milwaukee - in which air monitors showed that fine particles collected over 24 hours exceeded a federal standard.

The worst period of high particle readings took place in late January and February 2005, when there were 78 such instances, according to DNR records.

Last month, the DNR issued the red alert by e-mail - but only to those who subscribe to such updates

from the agency. It also sent the information to the National Weather Service.

In the end, the alert got little attention from local media outlets.

Besides Wisconsin Public Radio, no other news organization in metropolitan Milwaukee, including the Journal Sentinel, reported on the red alert, according to the DNR.

Dona Wininsky, director of public policy and communication of the American Lung Association of Wisconsin, said her organization and other groups must work more closely with the DNR to get the word out.

Kevin Kessler of the DNR agreed and said the agency might have to rethink how it will notify the public in the future.

"We need to learn from our experience," said Kessler, director of air and waste management.

Over time, Kessler said, emissions from particle pollution have been falling. But he agreed with Henry Anderson, the state's chief medical officer, who said the dangers of breathing tiny airborne particles are now more fully understood.

In September 2006, the EPA announced a more stringent standard for fine particles - dropping it from 65 micrograms per cubic meter to 35 micrograms.

Many environmental groups were irked by the action, saying the EPA should have lowered the standard even more and ignored work from its own scientific panel.

Major sources of particle pollution include power plants and automobile exhaust.

Particle pollution can come from sources in Wisconsin but can also from other states, said Grant Hetherington, a meteorologist with the DNR.

In the winter, particle levels can rise on cloudy days, keeping the air from warming and mixing with cooler air higher in the atmosphere, he said.

And after a clear, cold night, levels can rise the next day if there is little wind. The cold polluted air can become trapped above a blanket of warmer air and can't escape.

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